

**SURREBUTTAL TESTIMONY OF**

**AARON K. RABON, CPA**

**ON BEHALF OF**

**THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2021-324-WS**

1   **Q.     PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

2   A.           My name is Aaron K. Rabon. My business address is 1401 Main Street, Suite 900,  
3               Columbia, South Carolina, 29201. I am employed by the South Carolina Office of  
4               Regulatory Staff (“ORS”) as a Senior Auditor.

5   **Q.     DID YOU FILE DIRECT TESTIMONY RELATED TO THIS PROCEEDING?**

6   A.           Yes. I filed direct testimony with the Public Service Commission of South Carolina  
7               (“Commission”) on February 24, 2022.

8   **Q.     WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS**  
9   **PROCEEDING?**

10 A.           The purpose of my surrebuttal testimony is to respond to the rebuttal testimony  
11               filed by Kiawah Island Utilities, Incorporated (“KIU” or “Company”) Witness Burkett on  
12               March 10, 2022, regarding the rate case expense amortization period.

13 **Q.     IS ORS’S RECOMMENDATION TO USE A THREE-YEAR AMORTIZATION**  
14 **PERIOD FOR RATE CASE EXPENSES REASONABLE?**

15               Yes. In addition to what was included in my Direct Testimony, there are several  
16               additional reasons why a three-year amortization period is reasonable. First, a three-year  
17               amortization period mitigates the impact to customers by virtue of a lower revenue

1 requirement than a two-year amortization period would yield. Second, if the Company is  
2 granted a two-year amortization period, and the Company does not file its next rate case  
3 within a two-year period, the Company will continue to charge customers for rate case  
4 expenses after those expenses have been fully recovered from customers. Further, if  
5 granted a three-year amortization period, and the Company files its next rate case sooner,  
6 ORS's practice is to allow the inclusion of any remaining unamortized balance of rate case  
7 expenses in the calculation of total rate case expenses in the Company's next rate case to  
8 allow the Company full rate case expense recovery. Lastly, in the Company's Adjustment  
9 #14 of its Application, the Company proposed, and ORS agreed to, a three-year  
10 amortization period for COVID-19 Personal Protective Equipment expenses. It logically  
11 follows that the Company determined a three-year amortization period to be a reasonable  
12 expense recovery period. Therefore, ORS reaffirms that its recommended three-year  
13 amortization period is reasonable and allows for appropriate recovery of rate case expenses.

14 **Q. WILL YOU UPDATE YOUR SURREBUTTAL TESTIMONY BASED ON**  
15 **INFORMATION THAT BECOMES AVAILABLE?**

16 A. Yes. ORS fully reserves the right to revise its recommendations via supplemental  
17 testimony should new information become available not previously provided by the  
18 Company, or other sources, becomes available.

19 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

20 A. Yes, it does.